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4 February 1981

# Worldwide Report

LAW OF THE SEA

No. 138

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

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4 February 1981

## WORLDWIDE REPORT

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No. 138

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NEW ZEALAND INVESTIGATES U.S. TUNA BOAT FISHING

Christchurch THE PRESS in English 23 Dec 80 p 9

Text Whangarei (PA)--The American tuna boat Voyager is again under investigation for allegedly fishing within 12 miles of the Northland coast.

The Director of Fisheries, Mr B. T. Cunningham, declined to give details of the matter other than to say that he was awaiting a report.

The Voyager had its fishing permit cancelled and was ordered out of New Zealand's 200-mile economic zone by the Ministry of Agriculture and Fisheries in February after reportedly fishing within 12 miles of the Northland coast.

CSO: 5200

AID TO SEYCHELLES FISHERIES

Iraq/Seychelles Fishing Company

Victoria NATION in French 29 Nov 80, pp 1,2

[Article: "Iraq-Seychelles Bilateral Cooperation Agreement"]

[Text] A bilateral Iraq-Seychelles cooperation agreement on fishing was signed yesterday morning at the State Ministry of Agriculture by Messrs Serge Savy and Makki Latef, respectively chief secretary to agriculture and general director of the Iraqi state fisheries enterprise.

Coming after fruitful conversations with the Iraqi delegation which just left the country, this document provides for the creation of a mixed Iraq-Seychelles company in which the Seychellois state would have a majority interest; the purpose of the company would be to develop fishing in our country.

This company would have its headquarters in Victoria, its capital would be close to 78 million rupees, and it would be created as soon as the People's Assembly has given its approval. The other part of the agreement authorizes the Iraqi fishing fleet to carry out ocean fishing activities in the Seychellois waters; under the agreement, the Seychelles would retain the right to place an observer on the boats should this prove necessary.

A fleet of four Iraqi fishing boats might start this operation as early as next January and continue for a period of one year; fishing rights would be paid to the Seychellois state.

The document signed yesterday follows on the provisions contained in the agreement signed last April during the official visit of President Rene to Iraq (27-30 April 1980) following an invitation of President Saddam Hussein.

During this visit, the head of state had more particularly stressed the necessity to strengthen cooperation between developing countries.

### Additional Tuna-Fishing Financing

Victoria NATION in French 4 Dec 80 p 1

[Article: "Tuna-Fishing Project: Additional Clause to Financing Agreement"]

[Text] Yesterday afternoon, the minister of Planning and Development, Mr Maxime Ferrari, and the French ambassador to Seychelles, Mr Francis Dore, have signed an additional clause to the tuna-fishing project financing agreement.

This additional clause provides for an additional 750,000 French francs to be placed at the disposal of the Seychellois government to operate the Seychelles National Fishing Company (SNAFIC) and the Tuna-Fish Management Company (SOGET).

Last July, an aid of 3,500,000 French francs in capital to be drawn against credits of the French Fund for Aid to Cooperation had been granted to SNAFIC.

The object of the additional clause is to sustain the financing of the tuna-fishing project and to help make this project profitable since it is of capital importance for the economic and social development of the country--the project had experienced certain technical difficulties.

During a brief exchange after the signature of the additional clause, Minister Ferrari and Ambassador Dore both stressed the importance of the project which, because of the maritime calling of the Seychelles, belongs to the most important economic sector; they both expressed the wish that problems be identified and adequate solutions implemented.

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## WORLDWIDE AFFAIRS

### BRIEFS

JAPANESE FISHING BOAT SEIZED--Nairobi Jan 15 KYODO--A Japanese fishing boat was captured by Seychelles authorities in the Seychelles' economic zone and brought to Port Victoria Thursday, the Japanese Embassy in Nairobi said. It said the ship, the 300-ton No. 25 Sumi Maru of Wada, Chiba Prefecture, carried a crew of 20. At a court in Port Victoria, the prosecution demanded that Captain Hideo Kamiishi and his crew be fined Seychelles rupee 750,000 (about yen 30 million) and the ship and catch be confiscated for illegal fishing, according to the embassy. [Text] [OW160317 Tokyo KYODO in English 0311 GMT 16 Jan 81]

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BANGLADESH-THAI JOINT FISHING PACT EXPIRES

Dacca THE BANGLADESH OBSERVER in English 29 Nov 80 p 1

[Text] The permission for trawling in Bangladesh's economic zone in the Bay of Bengal by the 37 Bangladesh-Thailand joint venture companies will not be renewed it was announced in Dacca on Friday reports BSS.

The companies were formed by the private sector parties of both the countries under the bilateral fisheries cooperation agreement in 1978 and trawled in the Bay of Bengal from November 1, 1979 to October 31 1980 under the permission for the first one year term.

A joint Press statement issued at the end of the three-day ministerial level talks between the two countries on Friday said that Thailand had accepted a Bangladesh proposal that "under the existing circumstances it will not be possible for the Government of Bangladesh to renew permission to the joint venture companies.

The Thai delegation appreciated the point of view of the Bangladesh delegation and accepted the proposal the, joint statement said. [as published]

The joint Press statement was signed by Bangladesh Deputy Prime Minister in charge of the Ministry of Fisheries and Livestock Mr. S. A. Bari A.T and visiting Thai Deputy Prime Minister Major-General Pramarn, nadireksarn who led the talks on behalf of their respective governments. [as published] The Thai Minister who was leading a 16-member delegation left Dacca for home later Friday night.

During the talks the statement said both sides reviewed the performance of the companies "in an atmosphere of cordiality and friendship". In course of review both sides expressed their views on certain points that came up with regard to the "disposal of the catch conservation measures and basis for sharing the benefits of the joint venture".

Both sides according to the Press statement "were however in agreement that the traditionally existing friendship and mutual understanding between the two countries will grow in other fields including fisheries".

The leader of the Thai delegation also invited his counterpart to visit Thailand to explore possibilities of cooperation in various fields of common interest and to thrash out outstanding problems if any concerning the joint venture.

Bangladesh side also gave an assurance upon a request of the Thai delegation that the government would take all possible steps for early release of a trawler of a joint venture company which was earlier seized by Bangladesh authorities.

On the question of settlement of accounts between Bangladeshi and Thai parties, the statement said that leader of Bangladesh delegation pointed out that the "matter essentially concerned private parties" of two sides. [as published] He however assured that as a gesture of goodwill the Government of Bangladesh would try to effect an amicable settlement of the issue.

Earlier in the morning Mr. Bari had told the waiting journalists after the concluding rounds of talks that the decision was arrived at the "best interest" of the two countries.

Mr. Bari further stated that both sides had agreed to examine the scope of further cooperation in this sector at an "appropriate time" in the greater interest of bilateral friendly relations. [as published]

In the concluding round of talks Mr. Bari was assisted by Dr. Aftabuzzaman Minister of State for Fisheries and Livestock and senior officials of the Ministry. The Thai leader was assisted by Col. Krit Sankasup Deputy Minister for Agriculture and Cooperatives and Mr. Phairojana Jayaphorn Deputy Minister for Commerce.

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## THAI-BANGLADESH NEGOTIATIONS REPORTED

### Acrimony of Talks

Bangkok SIAM RAT in Thai 10 Dec 80 p 2

[Article: "Bangladesh Criticize for Obstructing Talks and Making Accusations Against Thailand"]

[Text] The president of the Marine Life Association has stated that Bangladesh has slowed down the discussions and rejected the proposals of Thailand concerning joint fishing activities and has even made unprincipled accusations against Thailand.

Concerning joint fishing activities between 13 Thai companies and 37 companies of Bangladesh, it has still not been possible to reach a complete agreement. The only thing accomplished has been the signing of a joint document in 1978.

Mr Aphorn stated that Thailand has made a four-point proposal to Bangladesh in order to keep Thai fishing boats from being seized. In cases in which the terms of the agreement have been broken, the matter must be immediately discussed by a ministerial-level joint committee of both sides. It has also been requested that there be discussions on relaxing the [tense] atmosphere [that has resulted] from the long seizure of the boats.

As for the next point, Thailand has insisted that the profits be divided based on the real price of the fish sold and not on the estimated price as is now being done. Bangladesh overestimates the prices, which is a direct share belonging to the fishermen. It is also being requested that this [money] be returned to the fishermen.

After this proposal was presented for discussion by both sides, Mr Aphorn stated that Bangladesh accused Thai [fishermen] of using special ring nets to catch fish and of having released the small fish. They also charged that unauthorized boats had engaged in fishing activities in the territorial waters of Bangladesh. Thailand disputed this, saying that during the many years that Thai fishermen have been engaged in fishing here, the fishermen have never changed

the ring nets because costs are so high. As for the matter of releasing small fish, this is an international practice in fishing that is done in order to protect the various species of fish. In particular, concerning the matter of unauthorized boats engaging in fishing, Bangladesh officials can make arrests. However, it appears that Bangladesh has cited rumors since there have not been any unauthorized boats. The only boats seized have been boats belonging to the 11 Thai companies. This problem must continue to be discussed.

#### Editorial Comment

Bangkok TAWAN MIAM in Thai 30 Nov 80 p 2

[Editorial: "Good News"]

[Text] At the end of last week, Police Colonel Krit Sangkhanap, the deputy minister of agriculture and cooperatives, told a reporter that Bangladesh has sent a letter confirming that it will be glad to welcome a Thai delegation that will travel there to discuss solving the fishing problems concerning joint investments between the two countries. Our government will send two delegations. The first delegation, composed of officials, is headed by Mr Kangwan Thephatsadin Na Ayuthaya, the deputy undersecretary of the ministry of agriculture and cooperatives. As for the second delegation, it is a ministerial-level delegation and is headed by Major General Praman Adireksan, the deputy prime minister. Members of this delegation include Mr Phairoi Chalyaphon, the deputy minister of commerce, and Mr Aphorn Siriphiphat, the president of the Thai Marine Life Merchants Association.

We feel that the above news is very good news because the problem of joint fishing investments between Thailand and Bangladesh has been a problem for a long time. The Thai fishermen are the losers concerning the income earned from the sale of the marine products and the unfair division of the profits. Besides this, Bangladesh officials are still strict and petty concerning many other regulations and this is the reason that the Thai fishermen have become discouraged.

A fact that must be admitted is that Thai fishermen are so skilled in matters concerning deep-water fishing that it can almost be said that they have no peers in Asia concerning this. For this reason, when the sources of marine life in the Gulf of Thailand were exhausted, these fishermen had to look for fishing grounds in the territorial waters of other countries. In particular, in the territorial waters of Bangladesh, there are particularly abundant sources of aquatic animals. Thus, the Thai fishermen thought about engaging in joint investments with Bangladesh. This has required long negotiations because there have been almost constant political changes in Bangladesh. An important person in implementing things

was Mr Phairat Chaiyaphon, the deputy minister of commerce, during the time he was president of the Fishing Association of Thailand.

For these reasons, since Bangladesh has agreed to enter into negotiations with Thailand and since the Thai delegates who will go conduct the negotiations are very knowledgeable about the matter, we hope that the negotiations go well and that it will be possible to reach an agreement about the various problems for the benefits that this will bring to the Thai fishermen and the economy of the country in general.

#### Thai Deputy PM Remarks

Bangkok TAWAN BIAN in Thai 30 Nov 80 pp 1, 16

[Article: "It Has Not Been Possible to Reach an Agreement, the Contracts Have Not Been Renewed and All the Proposals Have Been Rejected"]

[Text] The negotiations between Thailand and Bangladesh over the fishing problems have failed and no agreement has been reached. The contracts, which expired in October, will not be extended. Thailand has proposed establishing a subcommittee but Bangladesh has not agreed.

This was revealed by Major General Praman Adireksan, the deputy prime minister, on 29 November at Don Muang Airport upon his return from negotiating the matter of joint Thai-Bangladesh fishing investments.

The deputy prime minister stated that the negotiations concerning government-sector cooperation did not achieve any results different from the original contracts made previously. The private sector, which is encountering more problems, has not been able to reach an agreement either. Thus, the contracts have not been extended. Even though Thailand has proposed establishing a joint subcommittee in order to together discuss ways to solve the problems, Bangladesh has not agreed.

Concerning the matter of Bangladesh making unfair estimates of the price of the fish caught, which causes the Thai fishermen to lose profits, the deputy prime minister stated that no agreement has been reached. However, further negotiations between government officials of Thailand and Bangladesh will be held in Bangkok at the beginning of next year.

Concerning the matter of the Thai fishing boats seized by Bangladesh 8 months ago and the matter of Bangladesh companies that made investments still being in debt to Thai fishing boat companies, during these negotiations, the deputy prime minister of Bangladesh stated that action on these matters would be taken quickly.



### Talks Called Partial Success

Bangkok SIAM RAT in Thai 4 Dec 80 p 2

[Article: "Bangladesh Affirms That It Will Cooperate With Thailand"]

[Text] The deputy minister of agriculture and cooperatives has stated that Bangladesh still says that it will cooperate with Thailand in fishing activities and that it is ready to attend the conference, to be held at Songkhla on 8 January 1981, for those in the private and public fishing sectors in order to solve the problem of captured fishing boats.

Police Colonel Krit Sangkhasap, the deputy minister of agriculture and cooperatives, recently discussed the results of the conference between representatives of the Thai government and Bangladesh. He stated that, in fact, the conference was 70 percent successful and that some agreements had in fact been reached. There were, however, two matters about which agreements have not been reached. [The first] concerns Thailand's proposal to establish a joint committee to hear complaints, with the ambassadors of both countries taking part in the discussions. [The second] concerns the request that Bangladesh revise its laws concerning setting prices so that things are fair.

The deputy minister of agriculture and cooperatives also stated that the president of Bangladesh told the Thai delegation that the two countries will certainly be able to continue cooperating with each other in fishing activities.

The deputy minister of agriculture and cooperatives stated that, on 8 January 1981, the ministry of agriculture and cooperatives will hold a joint conference at Songkhla for those concerned from the private and public fishing sectors in order to solve the problem of Thai fishing boats being seized in foreign territorial waters. "I will propose that committees, that will act as the representatives of the countries, be established to survey the fishing grounds and submit proposals to the countries that have territorial waters.

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# DACCA, DELHI TO DELIMIT MARITIME BOUNDARY

Dacca THE BANGLADESH OBSERVER in English 6 Dec 80 pp 1, 17

[Text] Bangladesh and India have agreed to resolve the question of delimitation of maritime boundary in a spirit of mutual understanding and good neighbourly relations.

The four-day official-level talks between the two neighbours that ended in Dacca on Friday made efforts to find out a mutually acceptable solution to the question of delimitation of maritime boundary. A joint Press statement issued at the end of the talks described it as "useful and constructive". The talks the joint statement said were held in an atmosphere of cordiality and understanding.

The two sides have decided to resume the talks "as early as possible" in 1981 the joint statement said. The Bangladesh sides was led by Mr. A. B. S. Ataul Karim Additional Foreign Secretary and the Indian delegation in the talks was led by Dr. R. P. Jagota Additional Secretary of the Ministry of External Affairs. [unpublished]

It may be mentioned here that the talks on delimitation of maritime boundary between Bangladesh and India started since 1974 and this meeting was the seventh round of talks between the two neighbours.

Talking to newsmen at the state guest house 'Maitree' after the talks the leader of Bangladesh delegation Additional Foreign Secretary Mr. Ataul Karim said that the negotiations with India on delimitation of maritime boundary were in progress. Referring to the next round of talks he said "let us hope that the talks on delimitation of maritime boundary will end in 1981".

Replying to a question the leader of the Indian delegation Dr. R. P. Jagota said "We want a mutually acceptable solution to the question of delimitation of maritime boundary". He termed the issue as "sensitive" and said "we don't want to be hasty". [unpublished] Asked how long time the two countries would need to solve the issue he said "we are moving towards a mutually acceptable agreement".

BSS adds. Asked whether the question of the South Talpatty Island in the Bay of Bengal also came up for discussion, Mr. Karim said according to the decision of the two Foreign Ministers the issue would be dealt separately.

"We are exchanging additional data on the island in accordance with the decision of the two Foreign Ministers and the issue of the newly emerged island would be taken up separately by the two sides for a solution," Mr. Karim said.



The two Foreign Ministers; he said had agreed in their August meeting that the issue would be resolved peacefully at an early date.

The ten-member Bangladeshi delegation included among others Commodore Sultan Ahmed, Additional Chief of Naval Staff and Mr. Haroon Rashid, Deputy High Commissioner of Bangladesh in Calcutta.

(50) 2/70

# JAPAN PLANS EXTENSIVE FISH RESEARCH OFF NEW ZEALAND

Auckland THE NEW ZEALAND HERALD in English 3 Jan 81 p 3

[Report by HERALD marine reporter]

[Text] Japan's fisheries research organisation, Jamarc, will spend a quarter of its annual budget this year on fisheries research in New Zealand waters.

The research programme is one of the most ambitious carried out in local waters with the use of three large stern trawlers, the 500-tonne Shinkai Maru, the 250-tonne Kotoku Maru and 200-tonne Tomi Maru.

The research programme will cost the Japanese \$15 million. It is aimed at opening up relatively unexplored waters.

A fourth craft, the Kaio Maru No 52 will conduct research into pole-line fishing for albacore.

## Rugged

Jamarc believes New Zealand waters are rich in trawl fish resources and two of the trawlers will conduct research in fishing area E, to the south of the South Island.

This area is the country's most rugged fishing zone, extending from the southern tip of a 200-mile radius around Campbell Island almost to the Chatham Islands.

There is little knowledge of the resources in the area although the Ministry of Agriculture and Fisheries has long thought it could be rich in fish.

The Japanese research organisation holds the same opinion and its experts to prove that the present quota of 50,000 tonnes, which is now allocated to Japan, can be substantially increased without adversely affecting the resources.

The Tomi Maru will conduct research in the west of the North Island in area H, which extends from the northers tip of the South Island to the Three Kings Islands.

The present fish quota in this area is 2000 tonnes and much of the catch is horse mackerel. The Tomi Maru will experiment in the use of different trawl mesh sizes as the present mackerel catches are larger than is commercially desirable.

## Prospects

The pole line research into albacore is aimed at establishing the best fishing areas.

The United Nations Food and Agriculture Organisation estimates suggest there are great prospects for further fishing for albacore, skipjack and bottom fish in area E.

All the research data obtained by the Japanese will be passed to the New Zealand authorities.

Since Jamarc was established in 1971, New Zealand waters have featured largely in Japanese research programmes because of the potential and largely unknown value of the 200-mile zone.

The organisation was responsible for the first squid jigging trials in 1971 which led to the establishment of the present big industry.

# FISHERIES MINISTER DESCRIBED BENGAL BAY SURVEY

Dacca THE BANGLADESH OBSERVER in English 28 Nov 80 pp 1, 12

[Text] Dr. Aftabuzzaman, State Minister for Fisheries and Livestock, on Thursday said that the country's economic zone in the Bay of Bengal would be thoroughly surveyed to assess and develop marine fisheries.

Speaking at a Press conference the State Minister for Fisheries said that the survey, now being conducted by a research ship 'Anushandhan' donated to Bangladesh Fisheries Development Corporation by Japan would be completed within three years time. In its maiden voyage from November 20 to November 25 the 'Anushandhan' surveyed about 500 square miles in the economic zone of the Bay of Bengal and in this trip four scientists conducted the survey, the State Minister said.

Reiterating the Government's policy of developing marine fisheries Dr. Aftabuzzaman said that in the Second Five-Year Plan a target had been fixed to raise the present annual catch of marine fish of 1.22 lakh tons to four lakh tons by the end of the plan period. During the period, he added, a target had been set to raise the country's fisheries resources to 30 lakh tons a year.

To achieve this target of raising the marine fisheries, the State Minister said, the number of trawlers would be increased to 240 from the present fleet of 30 and the number of mechanised boats would be raised to 7000 from the present strength of 1400 by the end of the Second Five-Year Plan.

He told newsmen that multipurpose barge would be placed in deep sea to extend more facilities to the operators for fishing in the Bay. The barge which would cost about Taka four crores, he said, would have provisions for frozen storage, ice plant, water distillation plant fish mill plant, fuelling of trawlers and mechanised boats in sea and a small workshop for emergency repair of the vessels engaged in marine fishing.

The State Minister said that marine fishing in the Bay of Bengal started in a planned way since the liberation of the country and he was convinced of a great possibility of this marine resource.

He regretted that during Pakistan time there was no planned effort for marine fishing in the Bay of Bengal and the trawlers procured for the then East Pakistan were utilised for marine fishing in West Pakistan.

In reply to a question the State Minister refrained from making any comment whether the present Thai-Bangladesh agreement on marine fishing was "unequal". To another question he said that he would not agree to the allegation that fisheries in our economic zone in the Bay of Bengal were destroyed due to over-exploitation under the Thai-Bangladesh fishing agreement.

CSO: 4220

BRIEFS

**FOREIGN TRAWLERs SEIZED**--There were seventy cases of intrusion into Bangladesh territorial waters for illegal sea fishing since the independence of the country. Replying to a question at Jatiya Sangsad Capt (Retd) Abdult Halim Chowdhury, Minister for Local Government, Rural Development and Cooperatives said this on Thursday. He said that the Bangladesh Navy had seized a total of 27 trawlers that had illegally intruded into Bangladesh territorial waters upto June 1980. [as published]

CSO: 5200

## COAST GUARD DIRECTOR TELLS EXPANSION PLANS

Calcutta THE STATESMAN in English 24 Dec 80 p 16

[Text] A major expansion of the Coast Guard set up has been planned during the next few years to defend India's off-shore economic resources and prevent poaching of fish by foreign trawlers. Parliament may soon vest the organization with additional powers to deal with economic offenders at sea.

Vice-Admiral S. Prakash, Director-General of the Coast Guard, said in Calcutta on Tuesday that about Rs 100 crores would be spent during the next four years to develop the coast guards. A number of indigenously built defence boats would be drafted and a few imported ones might also be acquired.

The organization would get its first aircraft by August. These would be small surveillance aircraft equipped with some fire power. [as published] Eight such aircraft would be provided to the force during the period. Some of them would be stationed in Calcutta.

The Director-General said that a Bill had been brought before Parliament seeking to vest the coast guards with additional powers. They would have the power to enforce their orders, open fire arrest and confiscate the property of poachers. The Bill was likely to be reached soon, he added. It would be a supplementary to the Exclusive Economic Zone Act of 1976.

The coast guard will be responsible for five primary tasks--protection of fisheries and off-shore rigs, enforcement of anti-pollution measures at sea, anti-smuggling operations and assistance to fishermen in distress during bad weather. So far, the organization has two small frigates, supplied by the Navy and five patrol boats.

Navy personnel are posted in the coast guards to man the ships. The first batch of coast guard men are, however, undergoing training at different Naval establishments. By the end of 1984, the organization would have 250 officers and 2,000 sailors.

The Coast Guard's district headquarters of West Bengal will be in Haldia, to guard the Sandheads and the Bay of Bengal areas. Some land had already been acquired at Haldia to set up the headquarters and some more will be acquired.

CGS Baihans, the first indigenously built ship meant exclusively for the coast guards, a Seaward Defence Boat Mark-II, was commissioned by Mr Jyoti Basu at Calcutta Port on Tuesday morning.

Equipped with a gun and a radar on board, the ship has been designed and manufactured at the Garden Reach Shipbuilders and Engineers at a cost of Rs 4 crores. The Director-General said that the progress of construction of ships was being delayed because of slow work at the ship-building concerns. (as published)

Mr Jyoti Basu urged the Navy to place more orders with the Garden Reach Shipbuilders. He said that he was aware that the concern had been suffering from a number of troubles a couple of years ago, but had picked up of late. He said that the importance of Haldia was increasing fast. Mrs Gandhi had assured him recently that the Centre would soon take a favourable decision regarding the setting up of a petrochemical complex at Haldia and the clearance would be given shortly. (as published)

CSO: 5200

INDIA

BRIEFS

FOREIGN TRAWLERS DISCUSSED--New Delhi, Dec. 15. Foreign chartered vessels will be allowed to operate only beyond territorial waters under a new policy formulated by India. This was stated by Mr. R. V. Swaminathan, Minister of State for Agriculture, in the Lok Sabha today. Answering a question about over exploitation of marine resources, he said government had no intention of banning foreign chartered trawlers.--PTI. (Text) [Madras THE HINDU in English 16 Dec 80 p 10]

C50: 5200

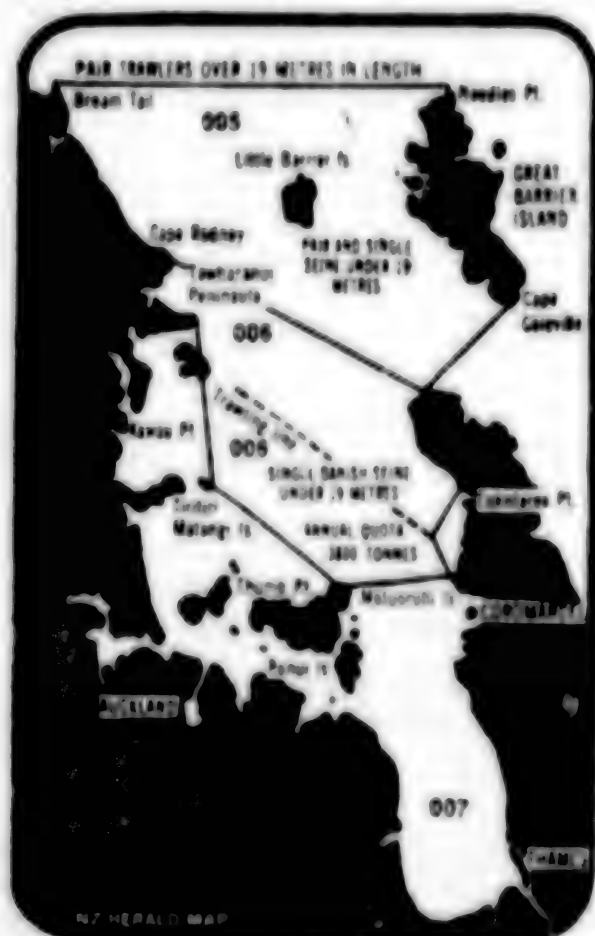


## RESTRICTIONS ON FISHING IN HAURAKI GULF EASED

Auckland THE NEW ZEALAND HERALD in English 2 Jan 81 p. 3

[Report by HERALD marine reporter]

[Text] Whangarei pair trawlers have won their case to retain fishing rights in the northern area of the Hauraki Gulf under new fishing regulations for the Gulf.



The fishermen had threatened to blockade the entrance to Whangarei harbour at Marsden Pt if the Ministry of Agriculture and Fisheries went through with a proposal to ban them from the area, officially known as zone 005.

The proposal was one of a number recommended by the Hauraki Gulf snapper advisory committee to tighten up conservation measures.

The Auckland regional fisheries officer, Mr Neil MacDonald, and the ministry considered the Whangarei fishermen had a strong case for the retention of their fishing rights.

Access to zone 006 by other pair trawlers under 19 metres in length was likely to be discussed at the next meeting of the snapper advisory committee.

### Higher Quota

The original committee recommendation concerning the zone called for a ban on all pair trawlers.

For the purposes of administration the gulf is divided into three zones and the total snapper quota has been increased from the previous annual quota of 3000 tonnes to 3800 tonnes.

Provision has been made to ban fishers in the end zone in fishing pels.

"Fisheries patrol vessels from Auckland will keep all fishing activities to the gulf under close surveillance to ascertain that catches are being recorded in the correct locality," said Mr MacDonald.

The ministry had experienced problems in the past in accurately determining where fish had been taken and the quantity caught.

### Prohibited

The amendment to the general fisheries regulations which came into effect last month stipulates the new quota and also states that when the quota is reached Danish seining, trawling and the taking of snapper by any means is prohibited in the area.

It extends the use of 125-millimetre minimum trawl mesh size to zone 006 from March 1, and bans the use of any trawl or seine boat over 19 metres in zone 006 and 007.

# DRILLING BEGINS AT TANGARUA OFFSHORE OIL WELL

Wellington THE EVENING POST in English 30 Dec 80 p 16

[Text]

NEW PLYMOUTH, Today (PA). -- The Tangaroa-1 offshore well, 188km north of New Plymouth, was spudded in late yesterday and drilling had reached 297m by 8am today.

Shell, BP and Todd Oil Services Ltd, operator for the joint venturers in the new offshore exploration programme, said from New Plymouth that drilling began at 6pm yesterday.

The spudding in was delayed when bad weather at the site yesterday held up supply vessel operations for 18 hours.

The supply vessels, Lady Rachel, Rose Tide and Northern Tide, had been transporting material and equipment needed to allow drilling to start.

During yesterday's bad weather, these materials could not be offloaded by the cranes on the drillship Sedco 441.

The ship, which is dynamically positioned, was unaffected by the weather.

The statement says a 914mm hole has been drilled to 297m below the derrick floor and preparations are being made to run 762mm casing.

Tangaroa-1, the first of three wells to be drilled during the Sedco 441's 12-month exploration programme, is 75km west of Kawhia in a water depth of 150m.

The well will be drilled to an anticipated total depth of about 4500m.

Partners in the joint venture are Petrocorp (Exploration) Ltd, Shell (Petroleum Mining) Co Ltd, Taranaki Offshore Petroleum Co, Ltd, BP (Petroleum Mining) Co of NZ Ltd and Todd Northern Oil Ltd.

[Wellington THE EVENING POST in English on 27 December 1980, page 22, reporting statements by Shell BP Todd general manager Graeme Brown, says: "In a last-minute change to the announcement, he said the drilling site selected by geologists for the first well was 70km west of Kawhia, rather than the 75km given in earlier announcements."]

CSO: \$200

## BRIEFS

**ILLEGAL FISHING REPORTING**--Procedures to be followed when reporting suspected illegal fishing by foreign vessels within New Zealand's territorial waters have been set out by the Ministry of Agriculture and Fisheries. Reports should be made to the Fisheries Control Centre in Wellington (FISHCON, Telex 3049 or Telephone 725-070) via Marine Radio. The report should include the time of sighting the alleged infringement; any marks, numbers, or letters that could identify the vessel; whether the vessel was fishing and by what method; and the vessel's position. Every effort should be made to send the report while the foreign vessel is in sight as up-to-date information gives the surveillance authorities a chance to take action, it says. "Do not attempt to apprehend foreign vessels," says the Ministry. "They may be working legally under a special licence and it is proper for only an enforcement officer to apprehend a foreign vessel." [Excerpts] [Christchurch THE PRESS in English 24 Dec 80 p 5]

**SQUID FISHING SEASON**--The squid fishing season has arrived once again, and according to the Westport Harbourmaster's Office, 40 foreign vessels, mainly Japanese, were fishing off the Buller coast. About the same number is working off the Canterbury coast. In past years more than 100 vessels have fished for squid off the Buller coast. Rising fuel prices and running costs have limited the number of vessels this year. [Christchurch THE PRESS in English 6 Jan 81 p 2]

**RICHEST FISHING GROUNDS**--Fishing grounds at the Chatham Islands have been named the richest deep-sea trawling waters round New Zealand. A Ministry of Agriculture and Fisheries computer analysis of catch returns last year found "fishing area D," which extends from 200 miles due east of the Chathams to about 150 miles off the Kaikoura coast returned an average 650 kilograms of fish for each kilometre trawled. "Area H," which covers most of the 200-mile zone from the Three Kings Islands down the west coast to Cook Strait, was the least productive. It returned only an average 101 kilograms of fish for each kilometre trawled. [Text] [Auckland THE NEW ZEALAND HERALD in English 6 Jan 81 p 5]

CS6: 5200

## THAILAND

### BRIEFS

FISHING POSSIBILITIES IN SRV--Mr Banharn Silpa-Archa, the minister of agriculture and cooperatives, has stated that Vietnam has said, through Thai fishermen, that it wants to cooperate with Thailand concerning fishing activities. Concerning this, contacts must be made through the Ministry of Foreign Affairs and the conditions set by the Vietnamese side must be looked at. Concerning fishing in the territorial waters of Vietnam, Mr Ari Sitthimang, the deputy director-general of the Fishing Department, has revealed that, at present, the territorial waters of Vietnam and Kampuchea are still rich in marine life since these two countries do not have modern fishing equipment. At the same time, the mouths of the rivers of the two countries are not polluted. Thus, these areas are filled with minerals and food from the marine life. Most of the fish in these areas are surface and bottom fish. Thus, the richness of these territorial waters is comparable to that of Bangladesh. [Text] [Bangkok DAO SIAM in Thai 29 Nov 80 pp 3, 12] 11943

CSO: 5200

RECLAMATION OF BAY EXPECTED TO PROMOTE FISHING

Nouakchott CHAAB in French 20 Nov 80 p 3

[Article by special correspondent Dy O. Hamden: "An Example of People Getting Involved: Reclamation Work at the Baie du Repos"]

[Text] The Baie du Repos reclamation work which started up last Saturday at Nouadhibou is still continuing with a massive number taking part and ever growing enthusiasm.

The clearing of the bay and the reinforcement of the Tiarka sea wall, which were programmed to take one week, were completed at the same time as was a sea wall to protect the coastal boulevard and as was most of the clearing away of wrecks. So this fast work pace has freed up an area in the northwest part of the bay which can in future be used for grounding ships for repairs. As a result the maritime authorities have realized that it would be possible to build up a mini-slipway for the small-scale fishing fleet.

That is just one of the first things to come out of this project, and it is beneficial to say the least.

Other things are surfacing every day as the work gets further along.

There is no doubt that the Baie du Repos reclamation will effectively help to revive small-scale fishing which has been at a low level of activity for some time in the Dakhlet-Nouadhibou region. It will also allow a new fish market with better sanitary conditions to be set up. This is essential because the old market, which was exposed to all kinds of filth, was the origin of the majority of the diseases which most people in our economic capital suffer from. Also the small yard for ship repair whose construction is anticipated is a pressing need since Nouadhibou has never had one. It is also the only way our businessmen can get hold of new fishing vessels and move our small-scale fishing out of that slow-paced life which has characterized it for years, and the only way for them to have a fleet at their disposal.

This vast undertaking, whose contribution is least measurable in profit terms, is opening up new prospects for the future, and they are encouraging ones in the sense that the project will undoubtedly help to reduce unemployment in this region where most of the people do some traditional small-scale fishing.

The removal of the barrier protecting the airport will allow the regional authorities to develop a new zone which could be subdivided into property lots. That is an indication of how difficult it is to evaluate the economic as well as social consequences which may result from the completion of this project, which still strikes some people as an unrealizable dream.

The Baie du Repas reclamation should serve as an example for people in all parts of our country so that they will understand that making strides in our country's development is up to them.

Coming back to the reclamation of the bay, it is worth pointing out that the engineering phase of the project has started because the work is ahead of schedule. So the project's most difficult phase is in the hands of the engineers who are doing all they can for the work to continue at the same pace.

Participation in this project is growing day by day. COMACO [expansion unknown], SAMMA [Company for Lighterage and for Shipping and Handling in Mauritania], and ENAP-TP [expansion unknown] have made generous contributions to the project. SOFRIMA [expansion unknown] for its part has mobilized all its pumping capacity for the draining of the bay.

Just as important has been what the regional government has contributed in terms of quantity as well as quality. Other companies have come forward offering assistance in kind, and the population at large is making itself completely available to work tirelessly to complete this project.

Lieutenant Commander Mustapha Diop, a member of the CMEN [Military Committee for National Salvation] and head of the Mauritanian Navy who at the same time chairs the work supervision committee, told us that no problems are cropping up at the working level and that he is optimistic about completing the project.

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CSO: 5200



**NATION'S FISHING RESOURCES, CONSERVATION POLICIES NOTED**

Nouakchott CHAAB in French 24 Nov 80 pp 3, 7

[Article by Dietrich Collofong: "Capitalizing on Fish Resources"]

[Text] The Africa-Caribbean-Pacific-European Community bimonthly magazine, LE COURRIER, published a dossier section on fishing in its November-December 1980 issue (Number 64).

In this dossier we found an article on fishing in Mauritania written by Dietrich Collofong, the European Communities delegate in our country.

That article, in which the author gives the readers of LE COURRIER magazine a look at our country's fishing industry, is being published by us here. Our country has set out a clear policy on fishing and is open to cooperating in any way with any partner who respects the way we choose to do things.

This is only realistic, especially since any form of cooperation, to be lasting, must be mutually advantageous.

Since Mauritania has more potential than its unsatisfactory performance indicates, it is implementing a new fisheries policy which the European Economic Community is supporting.

**Underutilized Potential**

About 800 kilometers of coastline run from the port of Nouadhibou to the banks of the Senegal River and that coast stretches alongside one of the world's richest fishing zones. Mauritanian waters are in an area where changing ocean currents produce seasonal fluctuations in temperature which create ideal conditions for breeding. A recent FAO study estimated fishing reserves at 4,000,000 tons and annual catches at 750,000 tons. This means that fish could to a large extent make up the chronic protein deficiency experienced by the people of Mauritania and of neighboring countries.

However, Mauritanian people are for the most part unaware of this source of food. There are historical explanations for this. Mauritania is a country whose people live inland and have kept to their old eating habits. Only the people along the Senegal River (mainly Soninke, Al-Poulars and Wolofs) and on the coast (Imraguen) have been traditional small-scale fishermen, the latter benefiting from a very wide continental shelf between Cape Blanc and Cape Timiris in the Banc d'Arguin area.

Structural factors also contribute to the underutilization of existing resources: fishing has never really been integrated into the national economy. The only fishing port, at Nouadhibou, is closed off compared to the rest of the coast. Nearly the whole amount of fish handled is sent to the big industrial fish markets: Japan, Western Europe, Eastern Europe, and in Africa, Nigeria.

These factors could only lead to unsatisfactory results.

### Unsatisfactory Results

In 1977, the fisheries industries, which could have employed at least 1700 people, only worked at 30 percent capacity because of the poor level of catches offloaded at Nouadhibou (40,000 tons). Exports that same year were 29,042 tons. In 1978, the new military leaders estimated that the income from catches off the Mauritanian coast was almost 50 billion ouguiya, and Mauritania only received UM [Mauritanian ouguiya] 1.4 billion of it in the form of royalties and other fees.

In 1979, pelagic species made up a catch estimated at 750,000 tons (value for Nouakchott 300 dollars per ton) and demersal species 250,000 tons (value for Nouadhibou 2000-2500 dollars per ton), on top of which there were lobsters and tuna.

Fish exports that same year only represented 12 percent of total exports, or, in terms of value, UM 632 million, as opposed to UM 6.074 billion for iron ore.

The fish industries are producing below existing capacity because not enough fish is offloaded. The overall processing capacity of the Nouadhibou plants (not including salt-drying) is 237,800 tons, including 180,000 tons of fish meal, 55,000 tons of deep-freezing and 2,800 tons of canning; this last activity has been practically abandoned since 1976.

Landings at Nouadhibou, which went from around 30,000 tons in 1969 to 55,000 tons in 1970, went past 80,000 tons (a record amount) in 1973; they reached 70,000 tons in 1974 but then went down to 31,000 tons in 1976 before going back up to 62,760 tons in 1977. They fell again to 61,210 tons in 1978 and to 53,633 tons in 1979.

The main customer for Mauritanian fish is Japan, which took nearly two-thirds of the total value in 1978 (62.2 percent), and following Japan are Spain (20.3 percent in 1978) and Italy (11.7 percent).

Together these 3 countries represent 94.2 percent of total sales. France's purchases have gone way down (18.8 percent in 1970).



Sales of frozen shellfish represent more than half of the total value.

Taking as a point of departure a theoretical tax assessment in 1980 on UM 58 billion, or 7 times the annual budget, the Mauritanian Government estimates that the fisheries sector could be making up a third of the country's exports by the end of the decade.

#### The New Fisheries Policy (NPP)

Between September 1978 and October 1979, the Military Committee for National Salvation and the government worked out a new fisheries policy aimed at changing over from the license system to the development of joint ventures, in order to reintegrate fishing into the national economy, and aimed at establishing a genuine small-scale fishing sector equipped with its own national commercial fleet.

This policy, recognizing the country's inadequate technological level, is aimed at mastering the relevant technology and benefiting from international cooperation via the creation of joint ventures with partners who have the best control over international fish markets and of the level of technology required for this sector of economic activity.

This policy of encouraging joint ventures is aimed at insuring supplies for existing and projected onshore industries. It should enable infrastructural facilities for receiving vessels to be set up, sheltered areas to be created, marketing networks to be organized and controlled, and Mauritanian nationals to accumulate a fund of the technology which they must have if they are to manage this sector. Vocational training efforts (the Maritime Vocational Training Center in Nouadhibou) should be developed as well.

This new policy represents an abandonment of the policy of royalty payments; these only brought Mauritania UM 1.4 billion in 1978, the best year, while they allowed Mauritanian waters to be systematically pillaged by foreign commercial fleets.

It is therefore a fundamental break which it is not a good idea to try and oversimplify, and its goals are clear. Only vessels flying the national flag are to fish in national waters, to supply installations located on national soil. As for licenses, they are only a way of exploiting national waters; they are acceptable when they are effectively integrated into an overall plan which furthers the effective control of this sector by nationals. Fishing licenses could be given to joint ventures set up in Mauritania when a certain amount of the capital involved is Mauritanian. Such companies could function in a three-fold manner: Own the vessels doing the commercial fishing, do the processing, and do the marketing. Fish offloading would be done by port services provided by the autonomous port of Nouadhibou, and export pricing would be monitored by the authorities.

So Mauritania is dropping its license policy, which was a royalties policy, but is not abandoning the use of licenses serving just as fishing permits, compensation for which can take different forms.

At the beginning of 1980 the new fisheries policy had the temporary effect of substantially reducing the amount of fish offloaded at Nouadhibou, and the processing plants were only operating part-time. The old style DMFPA [Mauritanian Fisheries Company] company (Spain) had practically stopped functioning, and the Mauritanian-Japanese firm MAPCO was hardly doing any better. SOFIMA, which was set up on the basis of financing from the 2 and 3 EDF's [European Development Fund allocations], was the only company showing a normal level of activity.

But for the Mauritanian Government the main thing is not to fish but to make onshore investments within allotted periods of time and to insure the means of supplying them. In order to do this, the finance law of 1980 set up an export tax, called a fishing duty, to replace all other taxes in the fisheries sector and fish caught in Mauritanian waters is to be exported and taxed on the basis of costs laid down by the finance law (at between 7 and 15 percent of value fob, according to species).

In 1980, as an example, the Mauritanian Government is counting on UM 1.4 billion, with a guaranteed minimum of UM 1.2 billion, from licenses, i.e. fishing permits which yield varying returns (fishing duties). Since the products of industrial fishing activity will be sent overseas for a long time to come, absolute priority is given to building a national commercial fleet for small-scale fishing.

#### Developing Traditional Small-scale Fishing

Building a national commercial fleet for small-scale fishing is aimed at integrating fishing into the national economy at the level of consumption as well as production.

In the industrial fishing sector, there are at the moment a few improved fishing boats at a reasonable technological level in Nouadhibou, obtained by the Mauritanian Government from Japan. Other plans are underway with Norway. SOFIMA has a few ships with refrigeration capability at its disposal. There is talk of getting the project financed by Japan for small-scale fishing going again.

There are also plans to create a fishing port, a sheltered area and storage facilities in the Nouakchott area. And lastly, the transformation of groups into cooperatives would be accompanied by the creation of an autonomous management structure with the responsibility of providing an organization framework for small fishermen and being the agency channeling government support.

#### Strengthening Control and Monitoring of the Fishing Zone

Law Number 78-043 of 28 February 1980, setting up the Merchant Marine and Maritime Fishing Code, established that territorial waters extended 70 nautical miles and set up an exclusive economic zone for fishing of 200 nautical miles (70 nautical miles of territorial waters added to 130 nautical miles of economic zone).

Exercising control over a zone that size that runs for 1000 kilometers is not a simple task. A 1962 law provided for a system of fines; the 1978 Fisheries and Merchant Marine Code raised these fines up to two-thirds of the price of the vessel and provided for impoundment of fishing vessels and cargoes. A draft regulation approved by the government on 15 August 1980 has just increased the terms of those provisions. From now on, a vessel caught doing unauthorized fishing in the Mauritanian fishing zone will simply be confiscated by decision of the Mauritanian authorities.

To make this kind of procedure work there must be sufficient means of surveillance and control. In this regard, subregional cooperation could well provide Mauritania with extra support for its own efforts.

### Subregional Cooperation

The 3d Subregional Ministerial Conference on the Preservation, Conservation and Exploitation of Fish Resources met in Nouakchott on 11 June 1980, bringing together Cape Verde, Gambia, Guinea-Bissau, Mauritania and Senegal. After having reaffirmed the role of COPACE (the Central and East Atlantic Fishing Committee), it established the 7 priorities that follow:

- the promotion of small-scale fishing;
- encouraging the creation of joint ventures;
- the adoption of common policies regarding foreign fishing activity;
- harmonizing relevant bodies of law;
- the development of subregional cooperation in the area of monitoring and control;
- the development of research capacity; and
- encouraging cooperation in the marketing sector.

The observation might also be made that the European Community signed fishing agreements with Senegal and Guinea-Bissau in 1979. Furthermore, the European Parliament has just pointed out that it would be in the Community's interest to sign subregional agreements with several of the ACP [Africa, Caribbean, Pacific] countries. So it is obvious that possibilities of cooperation between the EC and the Mauritanian Government exist where goals are not incompatible.

The European Communities Commission has, in tandem with signing fishing agreement with Senegal and Guinea-Bissau, been given a mandate by the Council of Ministers to negotiate with Mauritania, Cape Verde, Tunisia, Seychelles and Mauritius.

Community policy as regards fish resources in these various negotiations is following along the lines of the principle coming out of the 3d United Nations Conference on the Law of the Sea. Specifically, the Community recognizes the coastal state's right to establish a fishing zone which can extend out 200 nautical miles and a set of fishing regulations aimed at rational exploitation and conservation of marine resources. The Community is merely asking to be able to share in the coastal state's extra resources, which means whatever quantity of fish which that state's fishermen are not able to exploit.

The Community does not dispute the coastal state's right to determine how fish resources are to be used and considers compensation for fishing rights justifiable; when the country in question is a developing one, compensation is a financial quid pro quo in lieu of reciprocity. This compensation is of course distinct from development aid and should be in proportion to the scope of potential fishing provided in the agreement, taking into account the economic cost of the operations in question and their profit margin. This financial compensation is in two parts, one for which the owner of the vessel doing the fishing is responsible, by paying for a license, and one for which the Community itself is responsible.

The sole objective of the license system is to provide proof that the fees and fishing duties have been paid in accordance with the agreement's provisions. This is not therefore an exclusive system but, on the contrary, can be rounded out by the creation of joint ventures involving Community entities and the coastal state's nationals, for example, through the provision of fishing vessels or setting up processing plants. In this case, the partners would be private businessmen who will only commit themselves to an operation with a prospect of commercial profitability. So it is a good idea if restrictions on freedom of management, usually stemming from a legitimate concern to maintain control over the company, do not lead to administrative difficulties jeopardizing the efficiency of such ventures.

Furthermore, in the event that catches are all or partially off-loaded in the coastal nation for processing or export, it is important that arbitrary sale price determinations on off-loading at artificially low price levels not make these ventures any less interesting economically.

Given these conditions, the Community remains willing to initial that agreement that was negotiated with Mauritania on 1 December 1978 and on which there has been no follow-up. Of course the Community itself cannot participate in setting up joint ventures, but, with the planned framework of this agreement, it will do what it can to promote them by appropriate means, intervention by the Community to some extent taking the form of a moral guarantee.

To get the system running, the Community could allocate specific sums of money for the creation of joint ventures in fisheries which would thus have a certain financial standing from the start. This would be to the advantage of future European partners as well as of the Mauritanian fisheries industry. There would be an "objective" alliance of interests.

An agreement such as this could only help in achieving the aims of the new Mauritanian policy by encouraging Community firms to gradually get involved in this particular sector of the Mauritanian economy.

The possible signing of such an agreement would in no way prevent implementation of Community aid to benefit the fisheries sector, for which a sum of around UM 220 million is earmarked in the 5th EDF Program, which represents 14 percent of the national allocation. This aid will be available, by mutual agreement, to be used for one or more of the following:

- monitoring of territorial waters (purchase of vessels, technical assistance for the national navy);
- port facilities at Nouadhibou (ship repair yard and associated facilities);
- fish off-loading services provided by the autonomous port of Nouadhibou for the processing plants (fish pumps, cranes, supplies of diesel fuel, water and ice);
- the development of small-scale fishing;
- studies, if any.

The government of the Islamic Republic of Mauritania has also just asked the Commission of the European Communities for 4th EDF financing for a UM 5 million study of the possibilities for marketing Mauritanian fish in Europe.

Lastly, the EEC could help finance regional projects under the 5th EDF, such as the CEAO [West African Economic Community] project for vocational training in the Mauritanian fishing sector.

So the two complementary aspects of Community cooperation, participation in a framework agreement and development aid for the fishing industry, are of great prospective benefit to both partners.

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CSO: 5200



## BRIEFS

FISH PROCESSING PLANS--The Seychelles Government has agreed to finance and construct the building that will house the fish processing plant for use by the German experts during their fisheries research programme in Seychelles waters. Once the 10-month project is over, the plant will be handed over to the Government for the benefit of the national fishing fleet. The building, costing over R 1.6 million, will be erected in a few weeks' time by Works Enterprises Limited (WEL) at the northern end of the existing tuna cold store at the Long Pier. All necessary equipment such as flash freezer, plate freezer and blow freezers will be provided by the Germans. The plant should be ready in time for the arrival in February of the two fisheries research vessels from West Germany. The fish processing plant will be able to process up to 15 tonnes of fish and its position will enable easy transfer of the finished products to the cold store. Between 12 and 15 local people will be employed at the plant. [Text] [Victoria NATION in English 24 Dec 80 pp 1, 2]

CSO: 5200

## CONGLOMERATES SEEN CONTROLLING SEABED MINING WORLDWIDE

Paris LE MONDE DIPLOMATIQUE in French Jan 81 pp 13-14

[Article by Frederic Clairmonte and John Cavanagh: "The Hidden Aspects of the New Law of the Sea"]

[Text] How the international groups are planning to gain control of underwater mineral wealth. Underwater resources constitute a new stake in the confrontation between the rich countries, which are ready to exploit them, and the developing countries, in whose opinion this "common inheritance of mankind" should also benefit the poorest countries. The regulations drafted under the sponsorship of the UN in this respect contains some guarantees but they do seem to constitute an albeit fragile barrier to the ambitions of the multinationals and the countries of the North.

For many long years, the United Nations Conference on the Law of the Sea tried particularly hard to work out a legal framework for the exploitation of the wealth to be found on the ocean bottom. The big enterprises which are capable of running in this race did not even wait for the end of negotiations to perfect their strategy. A couple of dozen of Western and Japanese firms, whose total business volume comes to more than \$225 billion (in 1979) (see table below), were thus getting ready behind the scenes for a real mining assault on the ocean.

The objective is the exploitation of the nodules, a real eldorado whose value already exceeds \$3 trillion at current market prices. An example will give the reader an idea of these new prospects: In one of the exploration zones, known by the code name of Clarion Clipperton, the mineral content of the nodules comes to 2.8 percent, a percentage much higher than the required standard (0.5 percent) for the start of exploitation of a deposit. A standard nodule contains about 28 percent manganese, 1.4 percent nickel, 1.2 copper, and 0.25 cobalt. The research conducted by the Glomar-Explorer vessel, especially designed and used by Lockheed, to test its technologies in the field of nodule extraction, gives us reason to think that billions of tons of these nodules rest at depths of between 3,500 and 4,500 meters, in more than 300 mining sites in the Pacific Ocean, along an arc extending from California to Hawaii.

While the conclusion of an accord on the exploitation of the oceans, initially, entailed the risk of slowing down the rate of increase of the profits of those companies, there is little likelihood that, in longer-range terms, it would

threaten their activities in any significant fashion. As a matter of fact, the law of the sea, as it is conceived in the rich countries, should facilitate the adaptation and subordination of developing countries and their underwater wealth to the power of the world of business which continues to dominate all financial and technical aspects of the mining industry.

#### The Consortia

Right now, we find most of the five basic minerals contained in the nodules--copper, cobalt, nickel, manganese, and molybdenum--in the developing regions. Now, these countries consume very little in the way of minerals. The companies interested, on the other hand, have a surprising variety of sector and technical competence; they range from Sogo Shosha, the big Japanese commercial houses, to the petroleum, mining, and chemical giants and the aircraft companies. Taking a closer look, we find that all are multinational conglomerates.

The 1973 oil crisis gave rise to ocean exploitation consortia, sustained by the various governments. It was as a matter of fact feared that cartels, patterned along the lines of the OPEC, might be established by way of contagion in the mineral sector and the political instability of the underdeveloped producing countries might threaten the flow of supplies. In this respect, the ocean looked like an idyllic source of wealth, without any nightmares of expropriation; the consortia then, to put it bluntly, spent \$200 million on research and development of new technologies in the field of extraction and processing of ocean resources.

British Petroleum (B.P.), a member of the ~~Kennecott~~ Consortium, Europe's second-largest enterprise and one of the "seven sisters," contributed to ocean exploitation the competence it had recently acquired from one of the world's biggest mining companies, Selection Trust, which it purchased in 1980 following one of the biggest public purchasing offers (\$1 billion) in British industrial history. Shell and Amoco also have copper mines in several developing countries and, together, these three petroleum giants control 16 percent of the world's refined copper output, whose distribution they handle through their own specialized subsidiaries. Inco (International Nickel Company of Canada), the world's leadest nickel-producer, plays an important role in another consortium. Another eminent actor, the Belgian company by the name of Union minière, the principal subsidiary of the Société Générale de Belgique group, holds powerful interests in Zaïre. Sedco (United States), a member of the Inco Consortium, is the world leader in petroleum drilling and platform construction technology; and for almost a decade, it has been working on new nodule exploitation techniques.

In many ways, the Japanese are the most powerful; they did not enter this market individually but in groups. The Daimo group, whose leader is Sumitomo, consists of four other commercial houses and 15 financial institutions (including the powerful Sumitomo Bank) and manufacturing enterprises (nine of which belong to the Sumitomo group). This massive Japanese presence points to the solidity and coherence of the overall undertaking. Nevertheless, in order not to risk arousing unfavorable reactions from the developing countries which are their customers, the consortia in general tried to conceal their activities in this field. U.S. Steel, for example, which holds one-third of the capital of the biggest consortium, is not disclosing any information on its current mining activities in the ocean in its annual report for 1979.



in spite of the formidable wealth and competence of the enterprises, numerous technical obstacles remain to be surmounted. The main problem consists in adapting the existing technologies, designed for drilling at depths of several hundreds of meters (such as for petroleum), to adaptation for operations at a depth of thousands of meters. Here are some other technical problems: Preparing the underwater map of mining sites, or building pipelines that can withstand enormous pressures, without mentioning the biggest difficulty which is connected with the enormous need for energy.

#### Strategically Highly Important Minerals

While the lessons learned from the OPEC did play a major role in the race to conquer the ocean, there are other motivations. First of all, the highly strategic character of the minerals in question which, in several cases, are supplied by only a very small number of mining economies, such as in the case of cobalt (Zaire and Zambia) and copper (Zaire, Zambia, Peru, and Chile). Out of the five minerals contained in the modules, it is undoubtedly cobalt which is of the greatest strategic importance due to its essential role in aviation (construction of aircraft turbine engines in particular) and its use in electronics. The interest in these strategic minerals is further stimulated by the arms race which gobbles up \$500 billion in expenditures worldwide. Manganese and molybdenum also play an important role in steel production. Skyrocketing raw material prices—at least partly the result of more than three decades of scandalous waste and exhaustion of resources on land—offer another application in the race toward the ocean. This movement is further accentuated by the fact that the developed capitalist countries to a very great extent and increasingly depend on imports for their raw material supplies.

The presence, in force, of Japanese enterprises in this sector undoubtedly can be explained by the fact that Japan is practically totally dependent on the outside world for these five minerals. Even in the United States, which is rich in raw materials, mineral imports came to \$1.25 billion in 1979; almost all of the manganese and cobalt and 70 percent of the nickel the country needs must be imported. This situation is in singular contrast to that of the Soviet Union.

This dependence—which comes on top of the magnitude of expenditures to be made—explains the massive intervention of government in the exploitation of the oceans in the form of tax reductions and subsidies. The costs taken care of by the government range as high as 80 percent for the West German companies and 50 percent for the French companies. The importance of the sea is further multiplied by growing problems encountered in conventional mining exploitation: Serial cancellations, skyrocketing costs, and, according to business circles, legislation which is quite a deterrent in the matter of environmental protection.

The Treaty on the Law of the Sea, as currently conceived, provides that the mining enterprises must file explorations applications for specific zones of the ocean with an authority made up of 36 members;

if that authority gives the green light, the enterprise must basically pay it a tax on its profits. Others will be required to furnish that authority certain mining technologies at market prices. In this connection, the industrialized countries have agreed to loan it \$1 billion to finance mining activities. Will the industrial

plants except those now ruled. Behind the scenes, they are insistently demanding that the industrialized countries have a veto right within the authority and that the companies that engaged in exploitation were prior to the promulgation of the treaty be protected. Moreover, even if the treaty does take effect, numerous shortcomings will remain. The treaty as a matter of fact involves only production; it says nothing as to the control exercised by the multinational enterprises over processing and distribution.

#### What Comes?

The Treaty on the Law of the Sea of course could make it possible to take one step in international cooperation; but its authors apparently did not take into account the nature of the firms which today dominate the distribution circuits for minerals and other raw materials. Like most legislators, they succumbed to an idealistic vision of international trade (where competition reigns supreme), far removed from reality and the structural changes in international capitalism over the past 10 or 15 years. Until the Sixties, transactions involving most basic products were handled through dealers or brokers specializing in one or the other field: Balfour Fruit Company for bananas, Marstrand for cotton, Giff and Buffus for cocoa, etc. Since the end of the Seventies, there has been a radical change in the situation. For example, the cotton business was now led by Balli Brothers, a subsidiary of the Rasater Conglomerate (specializing since oil in paper) which trades in a very broad range of raw materials and manufactured products.

This evolution, which also involves other materials, underlines the limitations of the Treaty on the Law of the Sea. Philipp Brothers, a subsidiary of Engelhard Minerals and Chemicals Corporation, is the biggest international dealer in raw materials and it is also the most diversified, with petroleum accounting for half of its total sales. On a worldwide scale, its activities involve 150 products in practically all countries of the world and its business volume will probably exceed \$25 billion in 1980. Its hegemony in this field is supported by its tight collaboration with the other two divisions of Engelhard, that is, Engelhard Industries Division, specializing in metals refining, and Minerals and Chemicals Division, responsible for mineral extraction. Trade in raw materials is also dominated by the Japanese Sogo shosha, whose real king is Mitsubishi. Close to one-third of the \$52.6 billion in its business volume in 1979 is realized in the metals sector. Since the start of the Seventies, the group has been directly purchasing its raw materials from the Mitsubishi mines or from companies which it shaped into mixed enterprises (joint ventures) in various countries. Through its subsidiary Iriand Metals, Ltd, established in 1972, it plays a decisive role in fixing mineral prices through arbitration and speculation on the London Metal Exchange. In 1979, Mitsubishi handled 17 percent of Japanese iron mineral imports, 70 percent of the coal purchases, and 14 percent of Japanese steel exports. Even more than Philipp Brothers, Mitsubishi is consolidating its positions on the metal market thanks to its close links with the various organizations which make up the group (manufacturing production, engineering, financing and retail sales).

Parallel to this development of the giant companies, we observe a transformation of the structures of the mining industry and of distribution in certain developing countries. Over the past decade, countries such as Peru and Chile have begun to ship a portion of their minerals through the channel represented by public enterprises.

The main weak point of these national enterprises is that they must confine themselves to the sale of their domestic minerals. The ocean on the other hand is international so that all advantages of distribution inevitably accrue to the multinational firms.

All of this leads us to one paradoxical and dramatic conclusion: The treaty, which apparently is designed to increase the sovereignty of the Third World over what is called the "common inheritance of mankind," legitimizes and in reality consolidates the power of the companies which usurp this sovereignty.

# Leading Groups in Each Category--Prospects of Lively Competition

Groups of Companies (1)	Country	Field of Activity	Capital Share (%)	Business Volume (1979, Millions of Dollars)
Ocean Mining Associates				
U.S. Steel	United States	Steel, Chemical	33	12.9
Union miniere	Belgium	Group's Subsidiary	33	n.c.
Sun Co. Inc.	United States	General Petroleum Company	33	10.8
Ocean Management Inc.				
INCO	Canada	Metals	25	2.5
Sedco	United States	Petroleum Services	25	0.4
Preussag	FRC	Metals, Petroleum, Coal		1.8
Metallgesellschaft	FRC	Metals, Engineering		4.5
Salzgitter	FRC	Steel, Shipbuilding, Engineering		4.1
Group DOMCO (Deep Ocean Mining Corporation) Managed by Sumitomo	Japan	Commercial House Conglomerate	25	33.1
Ocean Minerals Co.				
Lockheed	United States	Aviation	40	4.1
Standard Oil (Amoco)	United States	Petroleum, Natural Resources	25	20.2
Royal-Dutch Shell	Great Britain	Petroleum, Natural Resources	25	6.2
Bos Kalis Westminster	Holland	Not specified	10	0.8
Kennecott Copper				
Noranda	Canada	Copper, Minerals	10	2.1
Consolidated Gold Fields	Great Britain	Mining, Construction	10	2.1
Rio-Tinto Zinc	Great Britain	Mining, Chemical	10	5.6
British Petroleum	Great Britain	Petroleum, Natural Resources	10	40.5
Mitsubishi	Japan	Commercial House Conglomerate	10	52.6

(1) To this list we must add, in the case of France Afernod (French Association for the Study and Exploration of Multimetallic Nodules) which consists of the following: CNEXO (National Center for Ocean Exploitation), the French AEC, the Geological and Mining Research Bureau, the Le Nickel and France-Dunkerque companies. This structure is being modified since the government wants to emphasize its operational character.

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